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Profit Sharing in American Business. By Edwin B. Flippo:
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Commerce and Administration, Ohio State University, 1954. 183
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Louis-Marie Tremblay

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Labor Relations and Productivity in the Building Trades est une œuvre bien faite et objective que nous recommandons sans réserve aux employeurs et aux chefs ouvriers de ce secteur industriel, ainsi qu'aux étudiants.

LOUIS-MARIE TREMBLAY

Profit Sharing in American Business. By Edwin B. Flippo: Columbus, Ohio: Bureau of Business Research, College of Commerce and Administration, Ohio State University, 1954. 183 pp. \$3.00.

The reader must not expect an economic theory of wealth distribution from this discussion of Employee Profit Sharing. The book is concerned primarily with the problem of plan administration. It takes Profit Sharing plans as a fact which can be and has been observed. It is neither the purpose of the author to make a case for or against profit sharing. On the contrary, he does not take sides. He intends only to make a factual analysis of the methods of administering employee profit sharing plans from a survey of experience in order that they may be properly maintained during normal times and subsisted in periods of stress.

Profit Sharing is defined as follows: «An agreement freely entered into, by which the employees receive a share, fixed in advance, of the profits». The author does not take account of the

other forms of participation in company benefits such as production bonus systems.

Chapter two is a brief outline of the philosophy behind Profit Sharing plans. It describes without discussing them the objectives of and the objections to, establishing profit sharing, and gives the usual details of the sharing mechanism, such as: Employee Profit Sharing plans, (types of plans, company contributions, eligibility requirements, bases for distribution of shares...). The following chapters deal with the techniques and methods of maintaining profit sharing plans on a continuous basis even during non-profit years, with a particular emphasis upon employee education. They are a comprehensive analyses, both qualitative and quantitative, of data developed by questionnaire in a representative number of business firms in the U.S. and Canada, according to size of industries and types of sharing plans, which are: Current Distribution, Deferred Distribution and Combinations of both. An objective attempt is made to present the experience regarding attitudes of labor unions toward profit sharing. The book ends with a good analysis of the factors governing the success or failure of employee profit sharing.

This book would not be of great interest to the economist and the sociologist, but would be very useful and informative for the firms that have, or are facing profit sharing.

LOUIS-MARIE TREMBLAY

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